

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

LINDA LINGLE
GOVERNOR OF HAWAII

CHIYOME L. FUKINO, M.D.
DIRECTOR OF HEALTH

DAVID T. SAKAMOTO, M.D., M.B.A.
ADMINISTRATOR

1177 Alakea St. #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

April 23, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Ernest Pletan-Cross
Chief Executive Officer
Hale Kipa, Inc.
615 Pi'ikoi Street, Ste. 203
Honolulu, Hawaii 96814

Dear Mr. Pletan-Cross:

The State Health Planning and Development Agency has evaluated your application for Certificate of Need ("Cert.") #04-08A for the establishment of a 5 bed Special Treatment Facility at 91-1045 A'awa Drive, Ewa Beach, HI at capital cost of \$235,300.

As provided under Section 11-186-99.1 of the Hawaii Administrative Rules (HAR), the Agency has determined that:

1. This proposal is eligible for administrative review as it meets the criterion in Section 11-186-99.1(b)(6), i.e.: "any proposal which is determined by the agency not to have a significant impact on the health care system."
2. The Agency has determined that the applicant has proven by a preponderance of evidence that its proposal meets the Cert. criteria in Section 11-186-15, HAR:
 - a. The applicant states that its proposal is "To establish a five (5) bed Special Treatment Facility to provide community-based residential treatment to boys ages 7 to 12 with reactive attachment or other psychiatric disorder expanding beyond those served under the Felix Consent Decree."
 - b. The applicant states that "This application is to continue serving exempt Felix Class children, and in addition, allow us to accept non Felix class children for the same services."
 - c. The applicant states that "This program offers a cost effective alternatives (sic) to long-term acute institutional setting and provides a progressive therapeutic milieu geared towards reintroducing youth back into their community/society with tools, skills and desire to succeed."
 - d. The applicant states "all 5 beds of the boys program are currently full... Hale Kuponon currently has 6 boys awaiting admission to the program who have been waiting in hospital-based residential settings and/or acute facilities anywhere from 2 to 3 months."

- e. The applicant states that "These youth... represent only those children referred by the Department of Health (DOH) Child and Adolescent Mental Health Division (CAMHD) Felix Class Youth. Other referral sources seeking services are the Department of Education, Department of Humans (sic) Services, Judiciary of Hawaii', acute hospitals, acute care mental hospitals and third party insurers."
- f. The applicant states that "...the program beds and services will be accessible to all appropriately referred youth on Oahu including underserved populations."
- g. The applicant states that it maintains licensure as a Special Treatment Facility with the Office of Health Care Assurance, Department of Health, is accredited by the Council on Accreditation (COA) of Services for Families and Children Inc., and maintains certification by CAMHD.
- h. The applicant states that its program provides on going quality assurance monitoring and continuous quality improvement through the Hale Kipa's Quality Assurance and Evaluation Review process.
- i. The applicant projects income and expenditures to be \$814,740 and 814,064 respectively, in year one of the proposal and \$855,477 and \$854,768 respectively, in year three.
- j. The applicant states that "Providing mental health and educational/care services in the Hale Kuponono program affords a significant reduction in health care cost by providing a less costly alternative to acute and residential care, which can cost in the vicinity of \$650 to \$750 per day. Hale Kuponono's cost per day is \$377.50."
- k. The applicant states that "These services also represent a significant portion of the continuum of care necessary to help insure that children are provided the necessary tools to succeed outside (sic) institutional environment."
- l. The applicant states that financial resources for its program exist through contacts with CAMHD and that no new staff is required for the proposal.

There is no compelling public interest which will be served by requiring the application to go through the standard review process.

As required under Section 323D-43(b), Hawaii Revised Statutes (HRS), the Agency finds that:

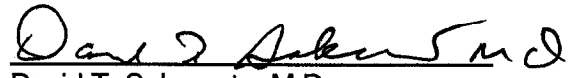
- 1. There is a public need for this proposal.
- 2. The cost of the service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

Accordingly, the State Health Planning and Development Agency hereby APPROVES and ISSUES a Certificate of Need to Hale Kipa Inc. for the proposal described in Cert. #04-08A. The maximum capital expenditure allowed under this approval is \$235,300.

#04-08A, Administrative Review Decision
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Please be advised that pursuant to Section 323D-47, HRS and Section 11-186-99.1(g) HAR, any person may, for good cause shown, request in writing a public hearing for reconsideration of the Agency's decision within ten working days from the date of this decision. Accordingly, if no person makes such a timely request for reconsideration, this decision shall become final immediately after the deadline for making such a request has expired.

C: OHCA

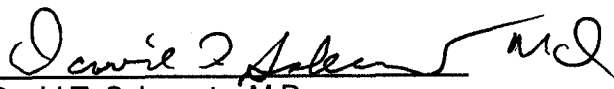

David T. Sakamoto, M.D.
Administrator

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Administrative Review Decision was duly served upon the applicant by sending it by certified mail, return receipt requested, in the United States Postal Service addressed as follows on April 23, 2004:

Ernest Pletan-Cross
Chief Executive Officer
Hale Kipa, Inc.
615 Pi'ikoi Street, Ste. 203
Honolulu, Hawaii 96814

HAWAII STATE HEALTH PLANNING
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